

REFERENCE TITLE: property tax exemption; disabled veterans

State of Arizona  
Senate  
Forty-ninth Legislature  
First Regular Session  
2009

## SCR 1044

Introduced by  
Senator Melvin; Representatives Antenori, Gowan; Senator Pierce;  
Representatives Pratt, Quelland

### A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTION 2, CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, CONSTITUTION OF ARIZONA, BY ADDING SECTION 2.4; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the Senate of the State of Arizona, the House of  
2 Representatives concurring:

3 1. Article IX, section 2, Constitution of Arizona, is proposed to be  
4 amended as follows if approved by the voters and on proclamation of the  
5 Governor:

6 2. Property subject to taxation: exemptions

7 Section 2. (1) There shall be exempt from taxation all  
8 federal, state, county and municipal property.

9 (2) Property of educational, charitable and religious  
10 associations or institutions not used or held for profit may be  
11 exempt from taxation by law.

12 (3) Public debts, as evidenced by the bonds of Arizona,  
13 its counties, municipalities or other subdivisions, shall also  
14 be exempt from taxation.

15 (4) All household goods owned by the user thereof and  
16 used solely for noncommercial purposes shall be exempt from  
17 taxation, and such person entitled to such exemption shall not  
18 be required to take any affirmative action to receive the  
19 benefit of such exemption.

20 (5) Stocks of raw or finished materials, unassembled  
21 parts, work in process or finished products constituting the  
22 inventory of a retailer or wholesaler located within the state  
23 and principally engaged in the resale of such materials, parts  
24 or products, whether or not for resale to the ultimate consumer,  
25 shall be exempt from taxation.

26 (6) The legislature may exempt personal property that is  
27 used for agricultural purposes or in a trade or business from  
28 taxation in a manner provided by law, except that the exemption  
29 does not apply to any amount of the full cash value of the  
30 personal property of a taxpayer that exceeds fifty thousand  
31 dollars. The legislature may provide by law to increase the  
32 exempt amount according to annual variations in a designated  
33 national inflation index.

34 (7) The legislature may exempt the property of cemeteries  
35 that are set apart and used to inter deceased human beings from  
36 taxation in a manner provided by law.

37 ~~(8) There shall be further exempt from taxation the~~  
38 ~~property of each honorably discharged airman, soldier, sailor,~~  
39 ~~United States marine, member of revenue marine service, the~~  
40 ~~coast guard, nurse corps or of any predecessor or of the~~  
41 ~~component of auxiliary of any thereof, resident of this state,~~  
42 ~~in the amount of:~~

43 ~~(a) One thousand five hundred dollars if the total~~  
44 ~~assessment of such person does not exceed three thousand five~~  
45 ~~hundred dollars.~~

~~(b) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.~~

~~(c) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.~~

~~(d) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.~~

~~(e) No exemption if the total assessment of such person exceeds five thousand dollars.~~

~~No such exemption shall be made for such person unless such person shall have served at least sixty days in the military or naval service of the United States during World War I or prior wars and shall have been a resident of this state prior to September 1, 1945.~~

~~(9) There shall be further exempt from taxation as herein provided the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, where such person has a service-connected disability as determined by the United States veterans administration or its successor. No such exemption shall be made for such person unless he shall have been a resident of this state prior to September 1, 1945 or unless such person shall have been a resident of this state for at least four years prior to his original entry into service as an airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof. The property of such person having a compensable service-connected disability exempt from taxation as herein provided shall be determined as follows:~~

~~(a) If such person's service-connected disability as determined by the United States veterans administration or its successor is sixty per cent or less, the property of such person exempt from taxation shall be determined by such person's percentage of disability multiplied by the assessment of such person in the amount of:~~

~~(i) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.~~

~~(ii) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.~~

~~(iii) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.~~

~~(iv) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.~~

~~(v) No exemption if the total assessment of such person exceeds five thousand dollars.~~

~~(b) If such person's service connected disability as determined by the United States veterans administration or its successor is more than sixty per cent, the property of such person exempt from taxation shall be in the amount of:~~

~~(i) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.~~

~~(ii) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.~~

~~(iii) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.~~

~~(iv) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.~~

~~(v) No exemption if the total assessment of such person exceeds five thousand dollars.~~

~~(10) There shall be further exempt from taxation the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, where such person has a nonservice-connected total and permanent disability, physical or mental, as so certified by the United States veterans administration, or its successor, or such other certification as provided by law, in the amount of:~~

~~(a) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.~~

~~(b) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.~~

~~(c) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.~~

~~(d) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.~~

~~(e) No exemption if the total assessment of such person exceeds five thousand dollars.~~

~~No such exemption shall be made for such person unless he shall have served at least sixty days in the military or naval service of the United States during time of war after World War I and shall have been a resident of this state prior to September 1, 1945.~~

~~(11)~~ (8) There shall be further exempt from taxation the property of each widow, resident of this state, in the amount of:

(a) One thousand five hundred dollars if the total assessment of such widow does not exceed three thousand five hundred dollars.

(b) One thousand dollars if the total assessment of such widow does not exceed four thousand dollars.

(c) Five hundred dollars if the total assessment of such widow does not exceed four thousand five hundred dollars.

(d) Two hundred fifty dollars if the total assessment of such widow does not exceed five thousand dollars.

(e) No exemption if the total assessment of such widow exceeds five thousand dollars.

In order to qualify for this exemption, the income from all sources of such widow, together with the income from all sources of all children of such widow residing with the widow in her residence in the year immediately preceding the year for which such widow applies for this exemption, shall not exceed:

1. Seven thousand dollars if none of the widow's children under the age of eighteen years resided with her in such widow's residence; or

2. Ten thousand dollars if one or more of the widow's children residing with her in such widow's residence was under the age of eighteen years, or was totally and permanently disabled, physically or mentally, as certified by competent medical authority as provided by law.

Such widow shall have resided with her last spouse in this state at the time of the spouse's death if she was not a widow and a resident of this state prior to January 1, 1969.

~~(12)~~ (9) No property shall be exempt which has been conveyed to evade taxation. The total exemption from taxation granted to the property owned by a person who qualifies for any exemption in accordance with the terms of ~~subsections~~ SUBSECTION (8), ~~(9)~~, ~~(10)~~ or ~~(11)~~ shall not exceed one thousand five hundred dollars. The provisions of this section shall be self-executing.

~~(13)~~ (10) All property in the state not exempt under the laws of the United States or under this constitution or exempt by law under the provisions of this section shall be subject to taxation to be ascertained as provided by law.

2. Article IX, Constitution of Arizona, is proposed to be amended by adding section 2.4 as follows if approved by the voters and on proclamation of the Governor:

2.4. Exemption from tax; property of totally disabled veterans or surviving spouses; definitions

SECTION 2.4. A. THE PRIMARY RESIDENCE OF A TOTALLY DISABLED VETERAN THAT IS OWNED BY THE VETERAN, THE VETERAN'S

1 SPOUSE OR JOINTLY BY THE VETERAN AND THE VETERAN'S SPOUSE IS  
2 EXEMPT FROM TAXATION.

3 B. THE PRIMARY RESIDENCE OF THE UNMARRIED SURVIVING  
4 SPOUSE OF A DECEASED TOTALLY DISABLED VETERAN THAT IS OWNED BY  
5 THE SURVIVING SPOUSE IS EXEMPT FROM TAXATION IF THE VETERAN DIED  
6 AS A RESULT OF A SERVICE CONNECTED DISEASE OR INJURY INCURRED  
7 WHILE ON ACTIVE DUTY IN MILITARY SERVICE.

8 C. AN EXEMPTION GRANTED PURSUANT TO THIS SECTION IS IN  
9 LIEU OF ANY OTHER REAL PROPERTY TAX EXEMPTION TO WHICH THE  
10 CLAIMANT MAY BE ENTITLED. NO OTHER REAL PROPERTY TAX EXEMPTION  
11 MAY BE GRANTED TO ANY OTHER PERSON WITH RESPECT TO THE SAME  
12 RESIDENCE FOR WHICH AN EXEMPTION IS GRANTED PURSUANT TO THIS  
13 SECTION.

14 D. FOR THE PURPOSES OF THIS SECTION:

15 1. THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS SHALL  
16 DETERMINE WHETHER AN INJURY OR DISEASE IS SERVICE CONNECTED.

17 2. PROPERTY IS CONSIDERED TO BE THE PRIMARY RESIDENCE OF  
18 A TOTALLY DISABLED VETERAN WHO IS CONFINED TO A HOSPITAL OR  
19 OTHER CARE FACILITY IF THE PROPERTY WOULD BE THE VETERAN'S  
20 PRIMARY RESIDENCE WERE IT NOT FOR THE VETERAN'S CONFINEMENT AND  
21 IF THE PROPERTY IS NOT LEASED OR RENTED TO ANOTHER OCCUPANT  
22 OTHER THAN A FAMILY MEMBER WHO RESIDES AT THE PROPERTY.

23 3. ALL MATTERS CONCERNING QUALIFYING STATUS UNDER THIS  
24 SECTION SHALL BE DETERMINED AS OF JULY 1 OF THE VALUATION YEAR.

25 4. QUALIFYING PROPERTY INCLUDES:

26 (a) PROPERTY THAT IS OWNED BY THE VETERAN WITH THE  
27 VETERAN'S SPOUSE AS A JOINT TENANCY, A TENANCY IN COMMON OR  
28 COMMUNITY PROPERTY.

29 (b) PROPERTY OWNED BY THE VETERAN OR THE VETERAN'S SPOUSE  
30 AS SEPARATE PROPERTY.

31 (c) PROPERTY OWNED WITH ONE OR MORE OTHER PERSONS TO THE  
32 EXTENT OF THE INTEREST OWNED BY THE VETERAN, THE VETERAN'S  
33 SPOUSE OR BOTH THE VETERAN AND THE VETERAN'S SPOUSE.

34 (d) PROPERTY OWNED BY THE VETERAN'S UNMARRIED SURVIVING  
35 SPOUSE WITH ONE OR MORE OTHER PERSONS TO THE EXTENT OF THE  
36 INTEREST OWNED BY THE SURVIVING SPOUSE.

37 (e) PROPERTY OWNED IN TRUST FOR THE SOLE BENEFIT OF THE  
38 VETERAN, OF THE VETERAN AND THE VETERAN'S SPOUSE OR OF THE  
39 VETERAN'S UNMARRIED SURVIVING SPOUSE.

40 (f) AS MUCH OF THE PROPERTY OF A CORPORATION AS  
41 CONSTITUTES THE PRINCIPAL PLACE OF RESIDENCE OF A VETERAN OR A  
42 VETERAN'S UNMARRIED SURVIVING SPOUSE IF THE VETERAN OR THE  
43 VETERAN'S SPOUSE OR THE VETERAN'S UNMARRIED SURVIVING SPOUSE IS  
44 A SHAREHOLDER OF THE CORPORATION AND THE RIGHTS OF SHAREHOLDING  
45 ENTITLE ONE TO THE POSSESSION OF PROPERTY, LEGAL TITLE TO WHICH

IS OWNED BY THE CORPORATION. AN EXEMPTION DERIVED FROM THIS SUBDIVISION SHALL BE SHOWN ON THE TAX ROLL AND SHALL REDUCE THE FULL CASH VALUE OF THE CORPORATE PROPERTY. NOTWITHSTANDING ANY LAW OR THE ARTICLES OF INCORPORATION OR BYLAWS OF A CORPORATION DESCRIBED IN THIS SUBDIVISION, ANY REDUCTION OF PROPERTY TAXES PAID BY THE CORPORATION SHALL REFLECT AN EQUAL REDUCTION IN ANY CORPORATE CHARGES TO THE PERSON WHO, BY REASON OF QUALIFYING FOR THE EXEMPTION, MADE POSSIBLE THE REDUCTION FOR THE CORPORATION.

E. FOR THE PURPOSES OF THIS SECTION:

1. "ARMED FORCES" MEANS ALL REGULAR, RESERVE AND NATIONAL GUARD COMPONENTS OF THE UNIFORMED SERVICES OF THE UNITED STATES, INCLUDING THE UNITED STATES ARMY, NAVY, AIR FORCE, MARINE CORPS AND COAST GUARD, AND INCLUDES CIVILIAN SERVICE THAT IS AUTHORIZED BY FEDERAL LAW TO BE CONSIDERED ACTIVE MILITARY DUTY FOR THE PURPOSES OF LAWS ADMINISTERED BY THE UNITED STATES SECRETARY OF VETERANS AFFAIRS.

2. "PRIMARY RESIDENCE" MEANS AN OWNER-OCCUPIED DWELLING, INCLUDING A MANUFACTURED HOME, THAT IS OWNED BY AND USED AS THE PRIMARY DWELLING PLACE OF THE DISABLED VETERAN OR SURVIVING SPOUSE, INCLUDING NOT MORE THAN ONE ACRE OF REAL PROPERTY ON WHICH THE RESIDENCE IS LOCATED. A PRIMARY RESIDENCE MAY CONSIST OF PART OF A MULTIDWELLING OR MULTIPURPOSE BUILDING AND PART OF THE LAND ON WHICH THE BUILDING IS LOCATED.

3. "TOTALLY DISABLED VETERAN" MEANS A RESIDENT OF THIS STATE WHO HAS SERVED IN AND BEEN DISCHARGED UNDER HONORABLE CONDITIONS FROM MILITARY SERVICE IN THE ARMED FORCES OF THE UNITED STATES IN TIME OF WAR OR TIME OF PEACE IN A CAMPAIGN OR EXPEDITION FOR WHICH A MEDAL HAS BEEN ISSUED BY CONGRESS AND WHO, AS A RESULT OF INJURY OR DISEASE INCURRED IN MILITARY SERVICE IS TOTALLY DISABLED. FOR THE PURPOSES OF THIS PARAGRAPH, "TOTALLY DISABLED" MEANS THAT THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS OR THE MILITARY SERVICE FROM WHICH THE VETERAN WAS DISCHARGED HAS RATED THE DISABILITY AT ONE HUNDRED PER CENT OR HAS RATED THE DISABILITY COMPENSATION AT ONE HUNDRED PER CENT BY REASON OF BEING UNABLE TO SECURE OR FOLLOW A SUBSTANTIALLY GAINFUL OCCUPATION.

3. The Secretary of State shall submit this proposition to the voters at the next general election as provided by article XXI, Constitution of Arizona.